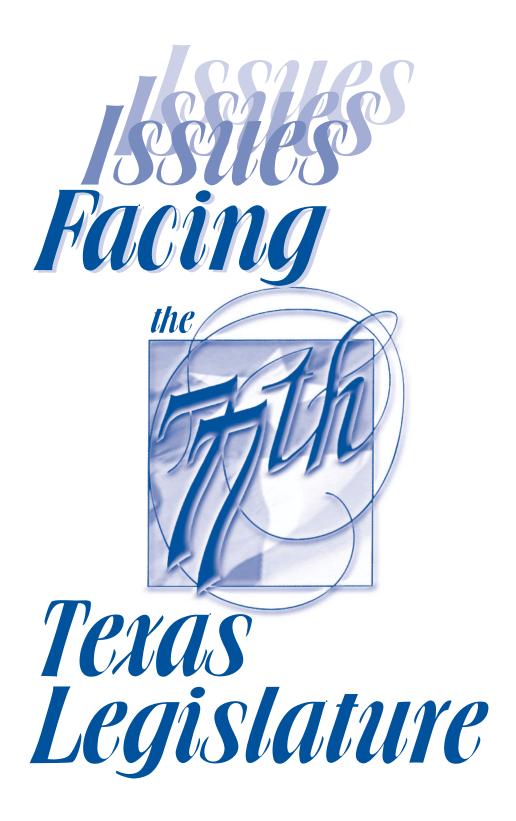


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ISSUES FACING THE



TEXAS LEGISLATURE

A briefing report prepared by the Senate Research Center

January 2001

The following information is intended to serve as a reference guide to issues facing the 77th Legislature. It is not a comprehensive list of issues, but rather an outline of broad categories and topics of concern that have arisen during the interim. This list is not intended to function as an endorsement of any issue by the Senate Research Center.



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BUDGET

Budget Surplus

2002-2003 Biennium

The 77th Legislature will be faced with prioritizing competing state needs for the allocation of the budget surplus, which is projected to be smaller than the surplus available for the 76th Legislature. In January 2001, the Comptroller of Public Accounts presented the revenue estimate for the remainder of fiscal year (FY) 2001 and the upcoming 2002-2003 biennium in the Biennial Revenue Estimate (BRE) Report (77th Texas Legislature, 2002-2003). The comptroller estimated \$60.8 billion as the 2002-2003 General Revenue-Related Funds Available for Certification, which includes the \$2.9 billion revenue balance on hand at the close of the 2000-2001 biennium. In addition to the \$2.9 billion, which will become the beginning balance for the upcoming biennium, the \$60.8 billion includes the following revenue: \$0.8 billion from Tobacco Settlement proceeds, \$1.6 billion from lottery proceeds, \$30.6 billion from sales taxes, \$19.1 billion in other taxes, and \$5.8 billion from other revenue. Overall state spending was lower than originally estimated by state budget analysts; however, FY 2000 experienced declines in lottery proceeds and settlements of claims from previous years.

The 76th Legislature appropriated \$55.7 billion for FY 2000-2001 budget, compared to the 2002-2003 biennium estimated revenue of \$60.8 billion and, as a consequence, a difference of \$5.1 billion in "new" revenue exists. Although the comptroller referred to the \$5.1 billion as "new" money, before its appropriation the legislature must consider unexpected or encumbered costs carried over from the previous biennium, estimated to be approximately \$700 million, and account for the growth of the budget in order to maintain current services due to the natural growth of the economy.

Rainy Day Fund

The Texas Constitution requires half of the undedicated and unencumbered balance in the General Revenue Fund at the end of the biennium to be transferred to the Rainy Day Fund. The fund is a prudent way for the state to save money when economic times are good by putting away revenue that may be needed when a fiscal emergency arises or the economy suffers a downturn. The much larger than expected surplus and the additional revenues collected from natural gas severance taxes provided a transfer of \$327 million into the state's Economic Stabilization Fund, a.k.a. the Rainy Day Fund. This \$327 million is not part of the \$2.9 billion revenue balance on hand. The comptroller estimated that transfers to the Rainy Day Fund will total \$802 million over the three-year period 2001-2003. At the end of FY 2003 the balance should total nearly \$1.1 billion.

Budget Considerations for the 77th Legislature

The January 2001 BRE report estimates that at the beginning of the 77th Legislature, lawmakers must make adjustments of \$700 million to pay for unexpected increased costs in providing medicine for the poor, keeping criminals in jail, and preventing forest fires in drought-stricken areas. The comptroller said that after all state expenditures are covered, a surplus of millions will remain. Expected proposals for the use of the surplus include such prominent issues as state employee and teacher pay and health insurance, Medicaid, CHIP, and the continuing problem of prison overcrowding.

The comptroller stated that the Texas economy is very strong. Actual state personal income is \$8 billion higher and the gross state product is \$25 billion higher than FY 2000 projections. Despite the vigorous economy, certain trends suggest that a mild slowdown has been underway for the past three years and will continue. The comptroller pointed out that this is parallel to the national economy, and although the annual growth rate is declining in Texas, it continues to outpace the national growth.

Spending Increases

Despite the budget surplus, legislators are facing a battle over the budget. Some of the largest agencies are asking for a \$2.5 billion increase, and this is just to maintain current services and does not account for inflation or new demands for state services. The majority of any budget increases will occur in areas of education, criminal justice, and health and human services. Most agencies voiced concern about problems of employee recruitment and retention and the need to adjust compensation levels and incentives to maintain an effective and stable workforce; this is especially apparent concerning information technology and financial analysis employees. Some of the possible budget increases are as follows:

- Texas Education Agency: over \$491million in total exceptional items including, \$375 million to expand the Instructional Facilities Allotment and \$45 million in technology expenditures;
- **Texas Department of Health:** increase base expenditures to \$15 billion, a 6 percent increase over the \$14.2 billion base expenditure level of the 2000-2001 biennium, mostly for increasing costs in administrating Medicaid;
- Health and Human Services Commission (HHS): key exceptional items include: \$1.2 billion for the Children's Health Insurance Program (CHIP), \$18.4 million for implementation of improved financial and human resource systems for HHS agencies, \$19.4 million for the Colonias Initiative, \$4.5 million for long term care community access, and \$7.1 million for the information and referral network;

- Texas Department of Human Services: \$200 million increase for caseload growth of long-term care and a total of \$600 million in exceptional item requests;
- Texas Department of Criminal Justice: \$200 million to rent more beds for state inmates in county jails and a \$173.2 million salary adjustment exceptional item;
- Employees Retirement System: \$697 million increase in 2002-2003 biennium base appropriations to maintain the Uniform Group Insurance Program for higher education, \$26.8 million in FY2003 for the Law Enforcement and Custodial Office Supplemental Program; the most prominent exceptional item is \$194 million for maintenance of the reserve fund, which without a supplement will be depleted by 2001:
- Teacher Retirement System: increase base expenditure by \$600 million or 25 percent to pay for health insurance for retirees and to keep the insurance system working and an exceptional item request of \$52 million (on top of the base) for the creation of a reserve fund for the insurance program;
- **Higher Education:** increase formula funding by a total of \$925 million or 16 percent of 2000-2001 appropriation (\$391 million for community and technical colleges, \$431 million for universities, and \$104 million for health-related institutions).

Constitutional Budget Limits

Spending Limits

Sec. 22(a), Article VIII, Texas Constitution, restricts the growth of appropriations from state tax revenue (not dedicated by the constitution) from exceeding the state's estimated rate of economic growth adopted by the Legislative Budget Board (LBB). The LBB adopts the Items of Information, which include: the estimated rate of growth of the Texas economy as measured by personal income, the 2000-2001 level of appropriations supported by the state tax revenue not dedicated by the constitution (the base biennium), and the limit on appropriations or the constitutional-spending limit for the 2002-2003 biennium. The limit on appropriations for the 2002-2003 biennium is determined by multiplying the 2000-2001 base biennium by the growth of Texas personal income from the 2000-2001 biennium to the 2002-2003 biennium

The Items of Information adopted by the LBB on November 29, 2000, include:

- A 14.09 percent rate of growth of personal income from the 2000-2001 to the 2002-2003 biennium.
- A base level of total appropriation of \$44.795, supported by tax revenue not dedicated by the constitution, for FY 2000-2001.
- A limit of \$51.1 billion of appropriations supported by tax revenue not dedicated by the Constitution for the 2002-2003 biennium.

The appropriation levels are subject to adjustment resulting from actual expenditures for the current biennium and the forthcoming Biennial Revenue Estimate. A committee

made up of the governor, the lieutenant governor, the speaker of the house, and the comptroller has 10 days to approve or amend the Items of Information and adopt the spending limit. The limit is automatically adopted if the committee fails to meet within 10 days.

Pay-As-You-Go

Sec. 49 (a), Article III, Texas Constitution, prohibits the legislature from appropriating more revenue than will be collected unless approved by a four-fifths vote of each house. The Tax Relief Amendment of 1978 limits the growth of appropriations from state tax revenues not dedicated by the constitution to the estimated growth of the state's economy.

Once an appropriations bill is passed by the legislature, the comptroller must determine if anticipated revenue will be sufficient to cover appropriations. If the comptroller determines the appropriations bill is within the constitutional limit, then the bill is certified and goes to the governor for approval. If the comptroller determines the bill appropriates more than the amount of anticipated revenue exceeding the constitutional limit, then the bill returns to the house in which it originated, where steps may be taken to bring appropriations within the amount of anticipated revenue.

For the first time since the 1978 enactment, the legislature is facing the possibility of spending more than the cap set by the constitution during this biennium. This possibility is a result of unexpected expenditures in Medicaid, prison health care, and school districts; a prison guard pay raise; revenues below expectation from the lottery and tobacco settlement funds; the 76th Legislature's enactment of long-term spending for education and health care; and \$1.7 billion in tax cuts. The Texas Constitution differentiates between taxes and revenues earmarked for specific purposes and all other funds (General Fund). The legislature is allowed to spend as much of the earmarked revenue as it takes in during a biennium budget cycle, but the spending of other non-dedicated funds is limited by the spending cap. The higher-than-expected expenditures facing the 77th Legislature were not earmarked and thus must be covered by the General Fund.

Currently it is unknown whether exceeding the spending limit will be a reality for the 77th Legislature. The comptroller and some other state officials believe that the spending limit will not be exceeded, while Senator Ratliff, former Chair of the Finance Committee, believes that exceeding the cap is a real possibility. Ratliff, who has been elected President of the Senate and acting Lieutenant Governor for the 77th Legislature, agrees that the Texas economy is very strong and will have no problem covering the unexpected costs, but says the legislature must vote to override the cap before the money can be used since it is not covered as earmarked expenditures. To override the cap, an "emergency" majority vote must pass in both houses, and this has never happened.

Tobacco Settlement Proceeds

Issues facing legislators include compensating for the expected \$75 to \$90 million shortfall in tobacco settlement funds for the 2000-2001 biennium. The 77th Legislature will need to determine future appropriation of the settlement, while considering the uncertain stability of the revenue source given the possible bankruptcy of the tobacco industry. The original state projections placed approximately \$1.814 billion in tobacco settlement proceeds for expenditure during the 2000-2001 biennium. Legislature appropriated the majority of these funds into eight permanent funds and 13 higher education endowments, and the remainder of the funds was distributed directly to various state entities. In order to determine the amount of future payments under the tobacco settlement, several legal issues need resolution, and currently the Attorney General is engaged in discussion with the tobacco companies to settle the issues. Resolution of the legal issues by the end of the year is anticipated.

There are five potential options available for correcting the shortfall of millions in tobacco settlement proceeds that were dedicated as expenditures for the 2000-2001 biennium but are now unavailable. The options include:

- 1) using future tobacco settlement proceeds to compensate for the shortfall;
- 2) allowing general revenue to compensate for the shortfall;
- 3) reducing the \$324.1 million in direct program allocations;
- 4) reducing the \$1.490 billion corpus of the permanent funds and higher education endowments; and
- 5) recapturing the excess earnings that accumulate on the permanent funds and higher education endowments.

The Senate Finance Interim Subcommittee on Tobacco Settlement Proceeds recommended that the legislature compensate for the shortfall in tobacco settlement proceeds before appropriating or otherwise committing future proceeds for any other purpose. The subcommittee also suggested reserving a portion of the estimated amount of biennial tobacco settlement proceeds to eliminate the possible over-allocation of funds. New proposals for using tobacco settlement proceeds available to the state each fiscal year include allocation to the Children's Health Insurance Program (CHIP) and the Permanent Fund for Tobacco Education and Enforcement and establishment of a Public School Teacher Health Care Insurance System Fund and a Veterans' Health Care Fund.

ERS & TRS Employee Benefits Issues

Escalating costs in health care required independent review of employee benefit issues relating to the Employees Retirement System (ERS) and the Teacher Retirement System (TRS). The review includes funding contingencies, the projected needs of TRS-Care, HMO competition, and the cost of providing effective health plans, as well as other alternative benefits for state employees.

TRS Retiree Health Insurance (RHI)

RHI provides coverage for about 127,000 retired teachers and dependents. The state contributes one-half of one (0.5) percent of each school district's (ISD) payroll, resulting in a projected \$175 million payment this biennium to the fund. Active teachers have a 0.25 percent payroll deduction (\$88 million) to support the program, and participants contribute \$245 million in premiums to the fund. Costs in the insurance program have risen 18 percent this biennium and are expected to again increase 18 percent in each year of the next biennium. The committee determined the most significant factor in cost increases is prescription medications. Medicare does not pay for prescriptions, which account for about one-third of TRS-Care's expenses. Contributions from the state and active employees will increase by only four percent. The 76th Legislature appropriated an additional \$76 million to offset increased costs, but even after that infusion of new money, the fund reserve declined from \$99 million to \$39 million over the current biennium. For the next biennium, the fund will need an additional \$390 million over its projected formula funding and will further reduce the reserve by \$24 million to \$15 million during the 2002-2003 biennium.

ERS Health Insurance

ERS Uniform Group Insurance Program (UGIP) provides health, life, dental, and disability coverage to 520,000 state and higher education employees, retirees, and their dependents. The Texas A&M System and The University of Texas System have separate programs.

The state contribution for this biennium is \$1.6 billion, including \$1 billion from general revenue. The state pays the total cost of health insurance for employees and retirees and 50 percent of dependent coverage. Nearly 21,000 state employees have dependent children and a family income low enough to qualify for the Children's Health Insurance Program.

Beginning in September 2000, ERS increased prescription co-payments of employees to increase revenue by \$52 million. The employee share of family coverage will increase 16 percent. Even with these increases, the health insurance reserve fund will decrease from \$170 million in September 1999 to \$29 million in September 2001. ERS projects a need for \$513 million to fund the UGIP in the next biennium.

University of Texas System (UTS) and Texas A&M University System (TAMUS) Health Insurance

UTS and TAMUS provide separate health insurance plans for their 72,000 employees and retirees. The state funds the higher education plans on the same basis as ERS. One appropriation is shared pro rata by the two systems that both systems supplement with large contributions of non-GR revenue. As with TRS and ERS, costs exceeded the available revenue, and employees bear an increasing share of the costs, but only UTS reduced reserve funds and added other institutional funds. TAMUS added an additional

\$8 million of other funds to preserve its reserve balance. Both UTS and TAMUS project their plans to cost \$732 million for FY 2002-2003, \$103 million more than 2000-2001.

Increases in Prescription Drug Costs

Prescription drug costs to ERS Health Select increased 20 percent per year, more than double the rate of other medical costs. The pharmaceutical industry cited the commonly heard reasons for the increase: increased use, drug research and approval costs, low success rates of approving new drugs, and short patent life. The Senate Finance Subcommittee on ERS and TRS benefit issues observed that the drug industry is responsible for some of those outcomes, especially linking direct consumer marketing of drugs to high use rates and lower pricing in other countries. The subcommittee was not able to determine the basis of soaring costs to the state group insurance plans. Other states have started efforts to reduce drug costs; New York legislators have proposed a bill that requires drug prices in New York to be no more than prices in other countries and some states are considering bulk purchases and buying consortiums. Prescription Drug Fair Pricing Act created the Maine RX program, which allows the state to negotiate prices and rebates for underinsured residents and endorses Maine in joining other states to negotiate, penalizes entities that overcharge or restrict supplies, and requires a set maximum retail price for prescription drugs after July 1, 2003.

HMO Competition

The number of HMOs in the state has declined from 52 to 45 since 1997, reducing competition. As a result, premiums have continued to rise, and few HMOs have made acceptable proposals to ERS. The board approved increases in prescription co-pays only and accepted only nine of the 13 HMO bids. The contracts are for one year, and acceptable HMO bids must not exceed premiums higher than Health Select, the state's self-insurance plan run by Blue Cross-Blue Shield.

State Investments

To determine whether the major state funds are optimally invested, the 77th Legislature will likely address the state's investment policies and the practices of major funds, including cash balances, the evaluation of investment goals, and the funds' performance in attaining the determined goals. The legislators' review will probably include a review of legal authority, ethical standards, investment policies and safeguards, management structure, and portfolio composition.

State Employee Pay Issues

An October 2000 report by the state auditor found that salaries for state employees have not kept pace with those of the private sector or even other public sector entities. As this situation has existed for several years, it has the potential to affect overall services. According to the report, the changing demographics and availability of the labor force are already affecting the state's ability to recruit and retain qualified workers. In 1999, 17 percent of state employees did not return to their jobs. Turnover was even worse in some agencies, especially those that deal with some of our most vulnerable citizens: Texas Youth Commission, 36 percent turnover; Department of Mental Health and Mental Retardation, 31 percent turnover; and Child Protective Services caseworkers, 27 percent.

In order to alleviate these problems, the report made the following recommendations:

- Adjust the salary ranges of both Salary Schedules A and B to reflect industry recommendations for specific job types;
- Increase Schedule A by a flat dollar increase of \$200 per month and increase Schedule B by 10 percent, effective September 1, 2001. Recommends a further increase of \$50 per month to Schedule A and 3 percent for Schedule B, effective September 1, 2002. This adjustment would cost approximately \$945 million for the biennium.
- Increase Salary Schedule C by \$50 per month on September 1, 2001 and September 1, 2002. This increase would cost approximately \$7 million for the biennium.

Although most lawmakers are sympathetic to the plight of underpaid state workers, they are not sure the state can afford the nearly \$1 billion outlay recommended by the auditor. Other lawmakers point out that state workers have advantages in other respects, such as job security and extra benefits. Some public employees, though, feel their advantage has dwindled, especially as health insurance costs have increased, and they believe equitable pay is needed to attract and retain the best workers.



REDISTRICTING

Following the Census 2000, the 77th Legislature will redraw congressional state senatorial, house, and state board of education districts. Redistricting can involve a number of controversial issues.

The states will receive census data no earlier than March 2001, limiting the time that the legislature has to analyze the data and enact a restricting plan. The census could release both the actual count and "statistical sampling," in which the actual count is adjusted to correct for undercounted populations. State legislatures must decide which set of statistics to use in redistricting.

The Voting Rights Act of 1965 (VRA) bars states from denying the right to vote based on race. Texas comes under Section 5 of the VRA, which requires federal preapproval of any changes in the state's voting practices to ensure that the changes do not hurt minority voting strength. However, the courts have also held that using race as a prominent factor in redistricting may violate the United States Constitution. Following the 1990 census, court challenges asserted that redrawn Texas districts were discriminatory.

Other issues include which principles the legislature will use when redrawing districts (for example, compactness, contiguity, and the preservation of communities of interest), balancing urban and rural interests and taking into account population shifts and possible future growth.



BORDER AFFAIRS

The Special Committee on Border Affairs was created to investigate and report on state matters specific to the Texas-Mexico Border Region. Issues currently preventing the border region from achieving success are of paramount importance to the state's viability, including the impact of the North American Free Trade Agreement (NAFTA).

NAFTA, effective January 1, 1994, was approved to gradually eliminate tariffs on goods and services between the United States, Canada, and Mexico. NAFTA forms the world's second largest free-trade zone, bringing together 365 million consumers in Canada, Mexico, and the United States in an open market, with an economic output of more than \$6 trillion per year.

Some of the challenges unique to the Texas-Mexico border region are:

- An ever-increasing population growth rate, including three of the fastest growing metropolitan statistical areas (MSAs) in the country.
- Worsening air quality that threatens to place more of Texas in nonattainment jeopardy.
- Increased traffic congestion and concerns over commercial truck safety standards and enforcement, especially at the Texas-Mexico border crossings.
- Added risks for communities lacking in adequate water and waste water systems, health services, and educational opportunity.

Texas' intermodal transportation system encompasses road, rail, air, and waterways and serves as the foundation for inter/intrastate NAFTA-related commerce. The Special Committee on Border Affairs, together with the Senate Committee on State Affairs, deliberated on the state's intermodal transportation planning efforts. In an effort to build

and maintain a more effective border region infrastructure, legislators will continue to seek innovative, yet practical, funding solutions from both state and federal sources.

The border region's environmental concerns, especially the need for adequate water supply, wastewater systems, and improving the conditions for nearly 400,000 residents of the *colonias*, are possibilities for legislative action. Health conditions will be reviewed in light of possible joint efforts between Texas and the adjoining Mexican states with the goal of improving access and availability to health care services, especially with regard to immunizations and preventative health care.



CRIMINAL JUSTICE

DNA Evidence

The use of DNA (deoxyribonucleic acid) to identify and convict criminals and exonerate innocent persons has become accepted throughout the criminal justice system. All states currently have laws providing for collection of DNA samples from certain convicted offenders. Laboratories in 41 states connect to a national database, the Combined DNA Index System (CODIS). This system enables local crime laboratories to electronically compare DNA evidence. Such evidence can be used to connect a suspect to a crime scene, as well as to other unsolved cases. The system can link crimes, showing that they may have been committed by the same perpetrator, and help solve cases where no suspect is in custody by comparing DNA evidence found at the crime scene to samples provided by known convicted offenders. However, CODIS is still in its development stage. One problem is the size of the United States and the number of sources of information that must be coordinated. There is currently a backlog in analyzing samples, and states may have different criteria for reporting DNA evidence. Resources are needed for building infrastructure, including training and equipment.

Another issue in the collection and dissemination of DNA evidence is the need to protect individual privacy by limiting who has access to the information and the type of information included. Other privacy issues include how long such samples should be retained and whether DNA samples should also be taken from persons who have been arrested, not just those convicted of a crime.

The effectiveness of DNA evidence is causing states to examine many of their existing criminal statutes. Because DNA evidence can exonerate persons already convicted of a crime, states have passed or are considering laws allowing for post-conviction DNA testing under certain circumstances. States are also considering whether to extend or remove their statutes of limitations concerning certain crimes, such as rape and sexual assault. This would allow a DNA sample taken from a victim of such a crime to be used

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to prosecute an offender many years after the crime was committed. In addition, states are debating whether to expand the types of crimes included in the DNA database. Similar legislation regarding the use of DNA evidence may be introduced this coming session.

Hate Crimes

Offenses labeled as "hate crimes" receive widespread publicity as lawmakers, law enforcement, and courts at both the state and federal levels continue to struggle with how to define protected groups of individuals and provide for adequate enforcement. Many states already have some form of legal recourse available to prosecutors for hate-crimerelated offenses and do not find the need for adjustments to their statutory schemes. However, debate arises when it appears that crimes against a victim, thought of as clearly motivated by hate, do not seem to get prosecuted adequately.

Texas enacted Article 42.014 of the Code of Criminal Procedure in 1993, whereby a court may determine the defendant's intent to select a victim based on the defendant's bias or prejudice against a group. When such a determination is made, the defendant's sentence can be enhanced accordingly. Suggested changes to this statute include enumerating the characteristics of potential victims to include "race, color, national origin, ancestry, sexual orientation, religion, or disability" and making civil damages available to the victim or the victim's family. Lawmakers may revisit Article 42.014 during the 77th Legislature.

Indigent Criminal Defense

Nationwide states have begun to investigate their respective legal services rendered to the indigent and, in particular, the mitigating and aggravating circumstances surrounding capital offenses.

Capital cases, in general, often demand added expertise, expediency, and resources. Frequently, extra time is needed for investigation, the presentation of witnesses, and introduction of evidence. Expenses can be higher due to the need for expert witnesses and advanced forensic tests. Time delays can also extend from several days to many months before a determination is made that the accused is indigent and, therefore, eligible for appointment of counsel.

Throughout the country indigent defendants are represented through three different ways: public defender's offices, contracts with individuals or groups of attorneys, and court appointments. All three methods are used in Texas, with the majority of defense attorneys appointed by the courts. Texas is also one of the few states where counties bear the financial responsibility for funding appointed attorneys.

A handful of states have centralized offices or teams of defenders funded for the purpose of death row representation. For example, California legislation created the Habeas Resource Center, and New York runs a \$15 million per year Capital Defender Office. Some state legislatures have passed laws addressing competency of counsel and delay reduction in capital cases. For example, California, Indiana, and Utah require attorneys to meet general and capital case experience and training requirements. Legislation before Congress also includes federally set minimum competency standards for court-appointed defense attorneys.

Texas' legislators may propose new ways to ensure the integrity of the process with more effective provision of indigent legal representation through the implementation of standards and additional financial resources.

Life Without Parole

There are currently thirty-eight states, including Texas, which have the death penalty as a sentencing option in capital cases. Thirty-three of the thirty-eight states have a "life without parole" sentencing option in addition to the death sentence. Of the twelve remaining states that do not have the death penalty, nine also have a life-without-parole sentencing option. Under a life-without-parole sentence, a person convicted of a capital crime is ineligible for parole and incarcerated for the rest of his/her life.

In Texas, juries who convict a person of a capital crime are given two choices for sentencing: a death sentence and a "life" sentence. Under the life sentence, the accused may become eligible for parole after serving forty years. Some state lawmakers are interested in allowing Texas juries the choice of life-without-parole, in addition to the death penalty, or life in capital cases. Other legislators fear jury confusion and possible reluctance to seek the death penalty. The 77th Legislature will likely debate these sentencing possibilities.

Prison Construction/Spending and Alternatives to Incarceration

Between 1989 and 1995, Texas participated in massive prison expansion efforts, spending more than \$1.7 billion to expand its prison system and tripling its criminal justice system. From 1990 to 1999, the state led the nation with a 173 percent rise in the prison population and operated the largest prison system, with over 163,000 people behind bars. Nevertheless, Texas' prison inmate population continues to grow toward near-full capacity, including inmates who currently are housed in rented space in county jails.

Some state lawmakers consider prison capacity to be nearing "crisis" levels, while others declare that no more money should be given to build new prisons and look for alternatives to incarceration instead of further construction costs. The 77th Legislature is

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likely to review prison spending, in consideration of inmate population size, changes in sentencing guidelines resulting in longer prison sentences, inmate eligibility for parole, state contracting for county jail beds, and inmate placement into alternative facilities.

Investigation of the inmate population may determine that some inmates are not appropriately placed within the criminal justice system and, alternatively, would be better served by mental health agencies. Legislators, therefore, may establish a uniform system to screen and assess inmates as mentally ill and/or mentally retarded and implement a computer system for inmates in need of mental health services to track their referrals to mental health systems.

Other alternatives to incarceration are drug treatment centers. Legislators may consider following in the footsteps of Arizona and California, whose recent legislative action allows for individuals guilty of certain enumerated offenses, i.e., felony drug charges, to enter treatment programs in lieu of incarceration.

Another option legislators have is to review care given to geriatric and terminally ill inmates and make the Special Needs Parole program more effective. Texas' Special Needs Parole program is responsible for providing early parole review for certain offenders who have health conditions that require 24-hour skilled nursing care, yet the program has experienced a decline in inmates that actually get paroled. To help reduce incarceration costs, legislators may adopt an assessment and release system to identify, pre-screen, and more quickly access those terminally ill recommended for the program.

Racial Profiling

"Racial profiling" is another topic under the national spotlight. Racial profiling occurs when police intentionally stop motorists or conduct street searches based on the perception of an individual's race. Civil rights groups maintain that racial profiling is wrong and results in an increased likelihood that non-white drivers will have their vehicles searched during traffic stops and/or get ticketed and that African-Americans and Hispanics are disproportionately singled-out for street searches or other system abuse. Others, while not in favor of promoting civil rights violations, view the consideration of race as a functionally useful descriptor for law enforcement when trying to create a complete criminal profile or gauge a potentially criminal situation.

Currently, nine states (CA, CT, KS, MO, NC, OK, OR, TN, and WA) have adopted laws to address racial profiling, and two other states (PA and RI) have introduced related bills in their ongoing respective legislative sessions. The United States Attorney General and Department of Justice offices have suggested, generally, that law enforcement begin gathering statistics on stops and searches in order to determine whether racial profiling might be occurring. Statutory language in the current laws typically prohibits the stop, detainment, and/or search of persons when motivated by the officer's perception of the person's race, color, sex, or national origin and when the action would constitute a

violation of the person's civil rights. Agencies are also required to adopt and implement internal policies against the practice. Texas' 77th Legislature could likely address this issue.



ECONOMIC DEVELOPMENT

Policies to Improve the Economy

The Texas economy is advancing, with its labor force growth doubling the national pace, due, in part, to a business-friendly government, in-migration and an expanding high-tech manufacturing sector. Exports continue to surge, with shipments to Mexico up 33 percent in the first quarter of 2000. Forecasters consider the state a strong performer with above-average, long-term growth potential, although the Texas economy has some weaknesses due to the volatile energy industry and the state's exposure to federal spending cuts. To stay competitive, Texas must continue to attract new investment and preferred industries that will provide high-paying jobs, such as telecommunications equipment manufacturers.

Texas has developed a 10-year strategic plan to guide the state in a fluid local and national economy based substantially on intellectual capital. A special advisory council of business leaders and legislators was formed during the interim to devise a framework to ensure Texas is successful in the new economy. The group's report recommended the appointment of a "technology czar" and the creation of a permanent technology council. The 77th Legislature could transform these recommendations into bills in order to promote continued innovation and economic growth.

To keep pace with states such as California, Massachusetts, and New York, Texas is attempting to balance its need to prudently leverage its assets with the reality that competitor states are investing millions of public dollars in research, infrastructure, and investment capital. Legislation to watch for includes reauthorizing product development and business incubator funds focused on increasing available capital for businesses across the state because of the positive multiplier effect such programs can have on local economies.

Additionally, to enhance Texas' attractiveness to high-growth sectors, legislation focusing on bringing more biotechnology firms is possible. States like New Jersey allow business tax credits up to \$500,000, funds that can be invested into promising biotechnology companies. The rapid pace of today's economy requires constant monitoring of the competitive situation, which may demand legislative action by the state to ensure other states do not acquire insurmountable competitive advantages.



EDUCATION

Public Education

Teacher Issues

Teacher issues will dominate the public education arena. Addressing teacher attrition and shortages, a pay raise, and state-paid health insurance for school employees that is comparable in cost and benefits to the state employee program will keep legislators ' and prospective teachers' attention. So far, proposals on school employee health insurance would either:

- beef up and expand TRS-Care, the current program at Teacher Retirement System, to include active employees and dependents as well as retirees;
- end TRS-Care and set up a new health insurance program with the state paying part of the premium cost for active school employees, with no changes to the retirees benefits;
- create a new group health insurance requiring all ISDs to participate with employee opt-out;
- create a state-funded health insurance allotment; or
- create a statewide group health insurance program for all school employees with the state paying the total premium for employee-only coverage.

Programs to improve teaching skills and the supply of teachers will be prominent issues as well. Some possible solutions include:

- mentoring programs for new teachers based on existing models at universities and ISDs;
- focusing on improving math teaching skills with programs similar to the reading academy initiative from last session; and
- expanding the alternative certification programs and financial aid to attract post-baccalaureate, would-be teachers.

Curriculum

Curriculum matters attracted attention this interim, especially the recommended high school curriculum; support grew for making it the default curriculum for all high-school freshmen, but teacher shortages in math and science will limit implementation of this program. Some have written that algebra, a course that the vast majority of people never use and that has a high failure rate frequently leading to dropping out of school, is an unnecessary obstacle to high school graduation and should be dropped as a minimum requirement; statistics might be a good substitute. Some have mentioned creating more clearly defined high school curriculum tracks to make it more applicable to the

workplace. The "seamless pipeline" or "articulation" of public and higher education has received a lot of attention during the interim to ensure that high school graduates are prepared for college, vocational training, or work.

Bilingual and limited-English-proficient programs will be targeted to improve learning and assess students' progress with some interest shown for dual-language immersion programs. Early childhood development proposals include requiring kindergarten for all five-year olds. Technology use in schools will be examined.

School Finance

School finance issues will include funding of facilities for fast-growth districts, increasing funding for the existing instructional-facilities bonds, helping small/sparse districts, and compensating districts with sharp declines in enrollment. Some will want to revise or eliminate recapture from property-wealthy districts, but a change probably would require increasing state support for most other districts to stay within Texas Supreme Court and Legislative Budget Board guidelines. Looking ahead to the 78th session, when at least 60 percent of districts will have \$1.50 tax rates, the maximum allowed under state law, the supreme court may decide the school property tax becomes a state tax, which violates the constitutional prohibition of a state property tax.

Management of the \$22- billion Permanent School Fund will come up for review and possible changes as a result of questions raised about investment advisors and processes. The House General Investigating Committee identified conflicts of interest of State Board of Education (SBOE) members with fund management, taking financial recommendations from people with undisclosed interests in the fund, and failing to have appropriate safeguards of the fund. The House committee recommended a constitutional amendment to create an appointed, fund-management board independent of SBOE. The committee recommended requiring SBOE to broaden its conflict-of-interest rules and appointing a fund advisory board. Some have suggested returning to an appointed SBOE with fewer members or continuing the trend of reducing the board=s responsibilities.

Higher Education

Formula Funding

Formula funding will engage many legislators with colleges and universities in their districts. The Texas Higher Education Coordinating Board (THECB) recommended a 16-percent (\$925 million) increase in funding for all institutions of higher education (IHEs). Dealing with IHE faculty and staff salaries and benefits could be nearly as contentious as their public-school counterparts. Increasing tuition revenue bonds for facility construction will have supporters among fast-growing IHEs and their legislators. Some have mentioned extending formula funding to junior and community colleges, moving away from the contact-hour financing currently in use.

Issues Facing The Texas Legislature

Access

Access to higher education has received much attention during the interim. Possible steps to increase access include:

- expanding and refining TEXAS Grant and Teach for Texas Grant programs;
- increasing financial aid to include fees and books;
- making college more affordable through academic and administrative efficiencies:
- integrating the public education and higher education systems so that the recommended high school curriculum meshes with college expectations of freshman preparedness;
- improving minority- and low-income student recruitment and retention to increase the graduation rate for these groups;
- closing the gaps in achievement, enrollment and graduation of minority groups; and
- distance learning.

Accountability

Accountability measured by student testing, a tool that is widely used in public schools, may be adopted to measure the output of colleges and universities. A baccalaureate degree may depend on passing a multiple-choice test in one=s major. Other suggestions include rewarding IHEs for improving admission, retention, and graduation of minority students.

Excellence

Excellence in university programs has attracted much attention. Texas legislators and businesses have begun calling for the state to fund more research/category-one universities (those awarded \$50 million in research grants). California has several public universities that have been named among the top ten in various categories. The THECB has proposed that each public university choose at least one of its degree programs and invest to make it nationally ranked. A narrowly focused effort to improve a single degree program can be achieved with relatively few new resources.



HEALTH AND HUMAN SERVICES

Child Support

The child support program of the Office of Attorney General (OAG) has been under intense scrutiny for the past several years and appears to have avoided being privatized or removed from the auspices of the OAG through improved performance.

In 1997, the Texas Legislature instructed the Sunset Advisory Commission to conduct a comprehensive review of the child support division to determine whether the OAG should remain the state's Title IV-D agency (Title IV-D program is the federal child support program). The options included moving the child support program to another existing state agency, creating a new, independent agency to administer the program, or privatizing the child support program. As a result of the study, in 1999 the legislature placed the child support program on a two-year probation to allow newly elected Attorney General John Cornyn time to make the necessary improvements to the program. Of particular importance were the program's ability to collect more child support, answer phone calls from clients trying to find out about their child support cases and payments, and implement the federally mandated State Disbursement Unit (SDU) on time.

A recently released Sunset Advisory Commission report notes that the child support program has made vast improvements during its two-year probationary period. Collections of child support are up 36 percent since 1998, increasing from \$756 million in 1998 to \$1.029 billion in 2000. (Although the amount of child support collected has increased, child support is being collected on only 25 percent of the OAG's caseload.) Paternity establishments went up 21 percent from 1998 to 2000. Staff dedicated to customer service was decentralized to beef-up the ability of the field offices to respond to client requests. Complaints of busy signals and inability to get information have decreased dramatically. The federally mandated SDU was implemented in time to avoid federal monetary sanctions. Consequently, there is little political will to remove the program from the OAG.

Many critical areas were improved over the last two years, but other issues still remain. Funding for the child support program is greatly dependent upon money retained by the program from child support payments collected for welfare recipients. The drop in the welfare rolls could pose a funding problem. However, the OAG's funding should be sufficient for the coming biennium barring any federal changes regarding the ability of the program to retain some of the child support collected for welfare recipients.

Private child support collection agencies also function in Texas. There has been talk of giving these private child support collection agencies access to the powerful state and

Issues Facing The Texas Legislature

federal databases that match people owing child support with their bank and brokerage accounts and contain information on people newly hired in Texas and the United States. These are powerful enforcement tools currently available only to government entities. Some federal and state officials are in favor of making these databases available to private child support collection agencies, if appropriate safeguards on privacy of taken. Critics note that the private child support collection agencies are basically unregulated. The private agencies have also been accused of using scare tactics to collect child support and of retaining too large a portion (in some instances 34 percent) of the child support collected as a fee for services. Whether privacy safeguards could be effectively implemented in this unregulated system remains a question.

Genetic and Medical Privacy

In Texas, as well as all other states, medical information is presumed to be confidential information. However, increasing capabilities to store and rapidly transfer data have escalated the challenge of protecting privacy. Laws in all states restrict access to medical records. At issue this legislative session will be whether the 77th Legislature should enact a comprehensive medical privacy act that takes into account the technology capable of accessing an individual's personal information.

In the past five years, Congress and state legislatures have passed legislation protecting access to genetic and medical information. For instance, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) became the first federal law to directly address the privacy issues surrounding genetic information. The law prohibits health insurance discrimination based on any "health status-related factor," including genetic information, for group health plans, usually those with more than 50 individuals. States have acted to fill in the gaps left by HIPAA. Laws in 33 states strictly forbid genetic discrimination in underwriting individual policies and ban genetic information from the rate-making process for individuals and groups. Additionally, Vermont generally bans genetic discrimination unless supported by proof of increased risk, Texas bans use of genetic information in group health plans, and Alabama prohibits discrimination based upon predisposition to cancer.

The 76th Legislature discussed reforming Texas medical privacy statutes, but did not pass legislation on the issue. For the 77th Legislature, the Senate Health Committee, has recommended a number of innovative privacy bills designed to protect Texans from having their pharmaceutical purchases sold for specific marketing purposes and having their medical information accessed by their employers.

Legislation is also being proposed to establish a blue ribbon privacy council that would evaluate key issues related to structuring a statewide medical privacy policy. Several states have adopted similar pieces of legislation. In Michigan, for instance, the privacy council has successfully devised medical privacy laws that are considered by many policy

analysts to be the most comprehensive privacy protections of any state. However, the United States Congress recently rejected a similar proposal to establish a privacy council.

Long-Term Care

Texas is consistently in the lowest quartile among nursing home Medicaid per diem reimbursement rates. In 1999, Texas had a Medicaid per diem reimbursement rate of \$78.49, placing Texas 42nd among state reimbursement rates. Alaska, with \$352, had the highest Medicaid reimbursement rates in 1999.

This low reimbursement level has prompted both the Senate and House Committees on Human Services to recommend an increase in the per diem reimbursement rates for nursing homes. Proponents of the rate increase argue that increased reimbursement rates will lead to increased staff to patient ratios and thus to improved quality of resident care. However, opponents of this issue argue that increased reimbursement rates do not necessarily mean improved quality of resident care and could lead to increased profits for nursing home operators and not to improved quality of care.

Revisiting some of the litigation portions of S.B. 190, passed during the 75th Legislature, is also on the legislative agenda for the upcoming session. Specifically, S.B. 190 allows the introduction of nursing home surveys into litigation, when those surveys are relevant to the litigation issues. Staff with the Senate Committee on Human Services is currently meeting with nursing home representatives, patient advocacy groups, and trial lawyer representatives to find an area of compromise on this issue. There is also likely to be legislative debate on capping punitive damages awarded in nursing home liability lawsuits.

An additional long-term care issue will be legislation addressing nursing home liability insurance premiums. One proposal, developed by the Senate Human Services Committee, is to allow for-profit nursing homes the ability to access the Medical Liability Underwriting Association, commonly referred to as the Joint Underwriting Association (JUA). The JUA is a state-operated insurance plan that allows qualified applicants the opportunity to use the state's financial stability for claims made against the insurance policyholders.

In February 2000, the Texas Department of Insurance (TDI), prompted by increased nursing home liability insurance rates, included nonprofit nursing facilities in the JUA. This was the first time nursing homes have been included in the JUA since 1982. Both of these moves are the result of reluctance among insurance companies to write new nursing home liability insurance policies. This reluctance is partially a result of several large damages awarded in nursing home lawsuits. Physicians and medical associations are concerned that the addition of nursing homes into the JUA could leave it financially unstable and create problems for medical malpractice insurance.

Children's Health Insurance Program (CHIP)

The State Children's Health Insurance Program (CHIP) was established by the Federal Balanced Budget Act (BBA) of 1997. CHIP provides \$48 billion (over a period of 10 years) in federal grants for states to provide health care coverage. The grants are available to Texas at a better match rate than previously given under Medicaid. The federal government matches the state's dollars at 74 percent to 26 percent, respectively. This past legislative session, Texas utilized a portion of the tobacco settlement dollars to fund the state's share, which totaled \$179.6 million, as stated in Article XII of the General Appropriations Act.

The Texas CHIP program is currently beginning its ninth month of implementation and, as of December 5, 2000, has enrolled 188,387 children in the program, or 39 percent of the one-year CHIP target population. Because the program has been in place less than a year, the Senate Health Committee strongly recommended that the Health and Human Services Commission (HHSC) closely monitor the outreach efforts and enrollment figures of the program.

One of the general criticisms with using CHIP enrollment figures as a gauge of the program's success is that the enrollment figures do not reflect whether enrollees have access to health care services. Based on this concern, the Senate Health Committee is pursuing legislation that will investigate whether telemedicine services could be used. The committee's interim report claims that in rural and underserved areas of the state telemedicine could be an effective tool to deliver services to children who do not have adequate access to the appropriate health care provider.

Children's Immunization Policy

A major health policy concern throughout the United States is the immunization rate of children eligible for Medicaid. The Vaccines for Children (VCF) program was created in 1993 as a part of the Omnibus Budget Reconciliation ACT (OBRA) to increase childhood immunization rates. Since the program's 1994 inception, Texas' immunization rates have risen from 71 percent to the current rate of 75 percent. Private health care providers may enroll in the VCF program to administer vaccines to eligible children. The private-public partnership reduces vaccine costs as a barrier to immunizations, reduces physician referrals to public clinics, ensures that children will have a medical home, and allows states to build an infrastructure to increase vaccine accessibility.

Texas is one of many states requiring all Medicaid providers to enroll in the VFC program. To increase immunization rates among children eligible for Medicaid, the Senate Health Committee is recommending that providers in the VCF program have a choice among all vaccines that are recommended and approved by the Federal Advisory Committee on Immunization Practices under contract with the Center for Disease Control (CDC). The Texas Department of Health (TDH) claims that allowing provider's vaccine

choice could lead to increased shipping, storage, and administrative costs. The Legislative Budget Board (LBB) determined that "allowing for physicians to choose between equivalently priced vaccines is unlikely to have a significant fiscal impact on the state." TDH estimates that implementing provider choice could result in \$3.5 million (in all funds) of additional expenditures on VCF. The Senate Health Committee contends that the effort to allow choice could encourage Medicaid providers not enrolled in VCF to join the program.

Health Care Workforce Staffing and Retention

Rural Health Care Professionals

Texas is largely an urban state with over 80 percent of the population concentrated in metropolitan areas. According to a recent study by the Texas Legislative Council's Department of Statistical and Demographic Research, health care professionals are following this trend in state demographics by concentrating their practices in the urban areas of Texas. Rural areas of the state are faced with a shortage of certain health care professionals. The lack of health care professionals in rural Texas leads to less preventive treatment for those Texans living in rural areas, which in turn decreases the likelihood of early detection of health problems. This delayed intervention ultimately increases health care costs.

There are several policy options the legislature may take on this issue. One policy option is to build a stronger telemedicine program in the rural communities. This approach would extend legislation (H.B. 2017, H.B. 2033, and H.B. 2386) passed during the 75th Legislature. For instance, the Senate Health Committee has recommended that the Legislative Budget Board (LBB) prepare a cost analysis projecting the cost of including pharmacists, occupational therapists, physical therapists, and mental health providers in the list of health professionals eligible to receive Medicaid reimbursement for telemedicine services. These health care professionals are recognized as providers under Medicaid but are not reimbursed for telemedicine purposes.

A second policy option is to create state-directed incentives to recruit health care professionals into rural communities. This could take the form of a rural community investment program that allows communities, through a state loan repayment system, an opportunity to recruit health care professionals willing to locate in a rural or underserved community. Proponents of this approach argue that unless the state provides some incentive to health care professionals, rural communities will be faced with short and long-term crises in access to care. Opponents of this approach argue that the state should not provide incentives for recruiting health care professionals into rural areas because the market should determine availability of resources. Rural communities, proponents of the market approach claim, should spend their own funds recruiting health care professionals.

Mental Health and Mental Retardation Direct Care Staff

An additional health care workforce issue facing the 77th Legislature is the high turnover rate among staff working in the mental health and mental retardation fields. For instance, in 1999 the Department of Mental Health and Mental Retardation (MHMR) reported a 42.4 percent turnover rate among direct care staff statewide. In the Austin State School, the turnover rate among personnel is approximately 84 percent and in the Denton State School there is a 77 percent loss rate. As one of their exceptional items, MHMR is requesting approximately \$80 million in appropriations for FY 2001-2002 to fund salary increases needed to retain employees throughout the state.

Consistent with MHMR's request, the State Auditor's Office (SAO) recently recommended a two-group reallocation of several direct care staff categories and a twogroup reclassification of security workers. In addition, SAO recommended a 10 percent shift in differential pay at nine state schools (Abilene, Brenham, Corpus Christi, Lubbock, Lufkin, Mexia, Richmond, San Angelo, and San Antonio), which are having the most difficult time keeping direct care positions filled and therefore have a higher risk of unsafe conditions and Intermediate Care Facilities (ICF)/Mental Retardation (MR) suspension of financial resources until unsafe conditions are remedied.

Restraints and Seclusions

The Health Care Finance Administration (HCFA), as well as other federal agencies, recently revised the federal tags and guidelines on the emergency use of restraints, seclusions, and psychoactive medications in health care facilities. Recent accounts of the misuse of these techniques in Texas health care facilities has raised questions about whether those guidelines have effectively regulated the application of these emergency techniques.

While HCFA guidelines remain legally preemptive to state rules and regulations, states can take more stringent approaches to restraints, seclusions, and psychoactive medications. Currently, Texas guidelines for emergency restraints, seclusions, and psychoactive medications are formulated by agency rules. Legislation will be introduced this session to create statutory language on the use and application of emergency restraints, seclusions, and psychoactive medications. The legislation will also require health care providers to report the manner in which and under what circumstances emergency techniques were used in their facilities.

Advocacy groups that support this legislation argue that the misuse of these techniques has resulted in an unacceptable rate of death and injury among residents in nursing homes, assisted living facilities, child care facilities, and mental hospitals. Because the techniques are being misused, so the proponents of this legislation argue, it is vital that the legislature take an active role in protecting the lives of residents in these facilities. Involving the legislature, proponents claim, makes a strong statement that Texans want to reduce the misuse of these techniques.

Opponents of the bill are likely to argue that federal and state rules already provide a legal framework for applying emergency restraints, seclusions, and psychoactive medications. Statutory language, so opponents argue, will either repeat what is already in the federal and state rules or will create greater confusion among caregivers about when these emergency techniques can be applied.

Opponents of this bill may argue that legislators should be less involved in requiring additional reporting duties for physicians and other health care providers. Proponents of this bill, however, contend that requiring physicians and other health care providers to detail the use of emergency techniques is only reasonable since the misapplication of these techniques can endanger the lives of facility residents.

Very Young, Violent Offenders

Though the instances are rare, there have been violent, even deadly, acts committed by children who are younger than 10 years of age. Are these children criminals who should be locked up—or very confused children in need of guidance? What to do with these very young children has been a topic of study during the interim. Texas' current legal and human service systems are not organized to effectively deal with children under 10 who commit violent crimes. They are too young to be brought into juvenile court, and if they have not been subject to abuse or neglect or do not manifest mental or emotional illness, they would not come under the purview of child protective services or mental health services.

A working group comprised of representatives from the Texas Juvenile Probation Commission, the Criminal Justice Policy Council, the Department of Mental Health and Mental Retardation, the Texas Department of Protective and Regulatory Services, law enforcement, prosecutors, and family law experts met and developed an effective approach to intervene in the lives of these young offenders. Representatives of these groups noted that it is unclear how many children fit into this category. Currently, law enforcement is initially involved in the violent incident. However, since children this young are not subject to the jurisdiction of the juvenile justice system, the officer is not required to follow normal reporting procedures. Often officers voluntarily record these instances. From these records it is estimated that, per year, approximately 20-35 children under the age of 10 commit violent crimes in Texas. It was the consensus of the work group that it would be inappropriate to put these very young children into the juvenile justice system.

This consensus was based on the belief that Texas' juvenile justice system is a fault-based system presupposing a certain amount of cognitive and emotional development. Legal and ethical problems arise when one attempts to treat these very young children as if they were cognitively and emotionally developed enough to be held legally responsible for their actions as are older children and adults. Professor Robert Dawson of the University of Texas at Austin noted that the juvenile justice system in Texas is

programmatically geared to children 15 years and older who make up the vast majority of the system's population. The system currently has a difficult time addressing the needs of 10-14 year olds and would be even more taxed if these very young offenders were added.

The Senate Committee on Criminal Justice (committee) has recommended setting up outside the juvenile justice system a protocol comprising emergency intervention, temporary custody care, and inter-disciplinary provision of services, including mental health counseling, drug counseling, and family counseling. The local Community Resource Coordination Groups (CRCGs) of Texas could be the lead agencies in developing individualized case plans to provide the services needed by these young offenders. The committee also recommended making available to CRCGs a fund, appropriated through the Health and Human Services Commission, to purchase enhanced services, including residential treatment for these children.



INTERGOVERNMENTAL RELATIONS

Public Construction Projects

The Senate Interim Committee on Intergovernmental Relations compared the "designbuild" method of procurement with the traditional "design-bid-build" method in regard to construction of public roads and bridges. With advantages to the design-build method being faster completion, below-budget costs, and well-built projects, the 77th Legislature will consider authorizing the Texas Department of Transportation, the Texas Turnpike Authority, and the Texas Department of Criminal Justice to use the design-build method of procurement.

Councils of Government

Building upon the success of 1999 legislation, the 77th Legislature will hear recommendations to further enhance and improve accountability of Councils of Government, (COGs), or voluntary associations of local government that perform comprehensive regional planning and coordination. Two of the recommendations are to require the State Auditor's Office to fully review COGs' financial audits and to amend the Local Government Code to strengthen state and regional coordination of planning and program development.

Residential Subdivision Development

The degree to which counties and municipalities have authority to regulate the development of residential subdivisions continues to be important. Legislation is proposed to provide counties (on a local option basis and after a referendum of their citizens) the authority to regulate land-use planning, limited construction and/or building codes, and water quality protection.

Municipal Annexation

The 76th Legislature passed a comprehensive rewrite of Texas' municipal annexation statutes, known as S.B. 89. During the upcoming session, legislators will be presented with information concerning the bill's implementation and suggested changes, including a clear definition of "tract of land," and direction on how to account for tracts that are either vacant or occupied by one or more residential dwellings.

Affordable Housing

Affordable housing is an issue of great concern to everyone as Texas continues to grow exponentially. The 77th Legislature will concentrate on interim studies and recommendations to improve the way state agencies are meeting the growing demand for public housing.



LEGAL

Parental Notification

The 76th Legislature enacted S.B. 30, adding Chapter 33 to the Texas Family Code, which prohibits a physician from performing an abortion on an unemancipated minor unless the physician has first given at least 48 hours' notice to the minor's parent or guardian. This new chapter applies only to abortions performed on or after January 1, 2000. Chapter 33 also provides a procedure allowing a minor to judicially bypass the parental notification requirement. Under this chapter, a minor may file an application with a court seeking an order bypassing the parental notification requirement. Under new Section 33.003(i), the trial court must determine by a preponderance of the evidence whether:

- the minor is mature and sufficiently well informed to make the decision to have an abortion performed without notification;
- notification would not be in the best interest of the minor; or
- notification may lead to physical, sexual, or emotional abuse of the minor.

If the court makes any of these findings, the court must authorize the minor to obtain an abortion without notification to either of her parents or a guardian.

Chapter 33 also creates an expedited, confidential judicial process for hearing the application and appealing the denial of the application by the trial court.

Since the law was enacted, the Texas Supreme Court has heard several appeals regarding denials of a minor's application to judicially bypass notification, requiring the justices to interpret various provisions of the statutes. A divided court, by a majority of six, has set out what a minor must show in order to establish that she is mature and sufficiently well informed to make the decision to have an abortion performed without notification, and the majority of six set out the standards a trial court should follow when determining whether parental notification would not be in a minor's best interest. Six justices have also ruled to allow a minor to undergo an abortion without first notifying her parents. Dissenting justices, as well as a number of legislators, have asserted that the majority did not set a high enough standard regarding when a minor may obtain judicial bypass. Another unresolved issue is when a minor established that notifying her parents could lead to physical, emotional, or sexual abuse. Legislation may be introduced seeking to clarify the act and set more stringent standards.



NATURAL RESOURCES

The Senate Natural Resources Committee (committee) was charged to study a wide array of environmental issues in light of conservation and Texas' economic well-being and growth. Clean air and water conservation issues are of particular concern in light of Texas' booming economy and growing population. The 77th Legislature will consider recommendations designed to manage our state's natural resources while promoting a progressive economic policy.

Air

Areas in Texas designated as nonattainment by the Environmental Protection Agency (EPA) must comply with the Federal Clean Air Act by 2007 or risk federal sanctions. This year, TNRCC approved revisions to the State Implementation Plan (SIP) for both the Dallas and Houston metropolitan areas. Texas is primarily concerned with ground-

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level ozone which is formed when volatile organic compounds (VOCs), both natural and man-made, react with nitrogen oxides (NOx) in the presence of sunlight. The peak ozone period falls during daylight savings time, between April and May. Some of the recommendations before the 77th Legislature regarding its stance toward federal air quality compliance policy include allowing states more autonomy in resolving local air quality issues with the EPA assuming an advisory and resource role and allowing an objective representative of the scientific community (such as the National Academy of Sciences) to approve any new air quality standards or environmental compliance standards.

On a state level, the Texas Legislature will consider many recommendations designed to make air quality compliance in the state go smoothly. Some of these include: passing a resolution calling for the federal government to reduce emissions from pollution sources under its control by the same percentage and same schedule that Texas is reducing emissions from sources under state control; establishing an incentive program to pursue SIP credits and to provide funding for energy conservation and efficiency; shifting the beginning of school until after Labor Day for school districts in nonattainment and near-nonattainment areas of the state in order to reduce mobile source emissions; and establishing a comprehensive cap and trade program for pollutants of regional concern to fulfill all state, and to the extent possible, federal emission requirements.

Water

As the state's population continues to expand rapidly so does demand for water in urban areas, and one of the most important issues facing the 77th Legislature is that of groundwater management. Groundwater conservation districts, or GWCDs, provide an administrative mechanism for protecting groundwater at the local level. These districts can be created three ways: by special legislation resulting from direct appeal to the legislature; by landowner petition as provided in the Texas Water Code; and by the Texas Natural Resource Conservation Commission (TNRCC). The 76th Legislature created 13 temporary GWCDs through passage of S.B. 1911. In order to achieve permanent status, these 13 must be ratified by the 77th Legislature.

About 80 percent of Texas is situated over aquifers—underground geological formations through which groundwater percolates, and proper planning and management of these resources cannot occur without detailed information about the characteristics of each aquifer. To provide reliable information on groundwater availability in Texas, the Texas Water Development Board (TWDB) is developing a complex system of computerized groundwater availability model, or GAM, is a mathematical representation of an aquifer using the physics governing groundwater flow to model the behavior of the aquifer over time. The committee recommends continued support of this program and expansion of its scope to include both major and minor aquifers. Other recommendations include streamlining the processes for designating GWCDs and encouraging cooperation between districts sharing the same management

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area with regard to planning and pooling resources. The ability to ensure adequate revenue for their activities and the incorporation of conservation and drought contingencies into their management plans will also be important for GWCDs.

The 77th Legislature will be scrutinizing the junior water rights provision of the 1997 S.B. 1 water planning initiative pertaining to surface water transfers. In times of surface water shortages, the recipients of those transferred rights will be the first cut off because they will be considered junior to other water rights in the basin of origin. This has the effect of causing big users, such as cities, to look to groundwater as a source for water. The committee recommends repeal of the junior rights provision in order to equalize the growing demands for surface and groundwater. Also under consideration will be authorization for groundwater districts to assess a surcharge for water used outside its boundaries, but with limitations so that such a fee cannot be used to bar exports of water. In addition, a percentage of these revenues could be directed to a state fund earmarked for water infrastructure financing.

River Authorities

River authorities in Texas are established individually by the legislature and have varying powers and duties depending upon their enabling statutes. Generally, river authorities function to regulate water supply and distribution, water quality, and flood control. The role river authorities play in maintaining water supply and water quality makes them an important part of Texas' broad legislative plan to efficiently manage and conserve water. To that end, the committee recommends clear statutory authority to utilize groundwater conjunctively with surface water to help meet the water needs of each river authority's service area. The 77th Legislature will also consider authorizing river authorities to establish funds allowing them to develop ready water supplies for future water needs, regardless of whether they have specific customers under contract at the time of development. The committee also recommends codifying all existing river authority enabling statutes into a new title or chapter of the Texas Water Code.

Port Expansion and Growth

Texas has a great number of major ports, each operated by independent administrative authorities. These ports present an enormous economic opportunity for our state, with total domestic waterborne commerce each year amounting to nearly 129 million tons, worth over \$34 billion. Trends indicate that containerized cargo will increase as a percentage of marine commerce handled by all ports, including those in Texas. The committee recommends that any state policy changes regarding the level of state funding for port facilities be considered as part of the Texas Department of Transportation's Statewide Transportation Plan. Recommendations include further study of how designbuild authority should be extended to Texas public ports and the use of barging to transport materials along NAFTA corridors as an alternative to trucking. It is important

to continue monitoring the economic impact of port expansion and growth in Texas, with a particular focus toward megaship and megaport trends.

Coastal Regions

Texas has a 367-mile coastline bordering the Gulf of Mexico with a total shoreline, including bays and islands, of approximately 3,000 miles. It is the most biologically rich and ecologically diverse region in Texas, and slightly over 25 percent of the state's population reside along the 18-county coastal region. Recognizing the coastal region's unique challenges and opportunities, the committee supports the Coastal Coordination Council as the state entity that provides focus for coastal issues. The committee recommends integrating the state's higher education resources into planning, coordination and research for the coastal region into the Texas Sea Grant College Program. The committee also recommends a systematic review of resources applied to coastal issues through the administration of state development grants, impact mitigation funds, and research and outreach education programs. By monitoring the Texas Department of Parks and Wildlife's coast-wide study of the shrimp industry, long-term sustainability plans for shrimp and other resources can be developed.

Oil and Gas

Texas is inextricably linked with energy, and challenges facing the Texas oil and gas industries are primarily associated with maintaining our energy security through balancing supply and demand, maintaining a healthy and productive oil and gas industry, and achieving these objectives in the most economically optimal manner. To achieve these goals, the committee recommends the following: an increase in research and development targeted to support oil and gas exploration and production; proportionate reduction of the oil and gas severance tax with the increase of capital investments at historic levels; and increased availability of electronic information from the Texas Railroad Commission (RRC). Abandoned wells and the state's continuing battle to plug them is an important concern, and the legislature will consider allowing the RRC to utilize the TWDB's Clean Water State Revolving Fund to plug oil wells posing a threat to surface and groundwater resources. Another consideration will be to strengthen the RRC's Oilfield Cleanup Program by providing additional funding, enhanced enforcement capabilities, and monitoring of non-producing wells. As the state's oil and gas pipeline structure ages, there will be support to promote and expand a safe and reliable pipeline infrastructure.

Low-Level Radioactive Waste

The Texas/Maine/Vermont Compact (Compact), passed and signed into federal law in 1998, promotes the economical management and disposal of low-level radioactive waste

(LLRW). The Compact requires the states of Maine and Vermont to pay \$50 million-\$25 million upon congressional ratification of the Compact and \$25 million upon completion of a disposal site and the receipt of the first shipment of waste—with Texas designated as the "host" state. To date, no money has been collected from either state, nor has a site been permitted. Throughout the 76th Legislature, lawmakers debated whether to permanently dispose of LLRW below the ground or to utilize the more recently developed alternative of above-ground storage called "assured isolation." There continues to be concern that assured isolation has not been sufficiently tested or that this alternative will not meet the requirement of fully disposing of LLRW. Another issue is whether the license should be issued to the state or to a private entity. In 2001, the 77th Legislature will consider recommendations to allow a private company to obtain a license for the disposal of LLRW and allow assured isolation with the conversion to (or future plan for) permanent disposal. Other recommendations include allowing only one assured isolation disposal site to be developed in Texas and providing a mechanism for ensuring community acceptance.

Agriculture

Lawmakers will be developing a sound agricultural policy to carry Texas into the 21st century with emphasis on maintaining Texas agriculture's economic, cultural, and historic importance. Value-added processing is one way of rebuilding agriculture in Texas, and proposed legislation will help producers fund agricultural development districts to meet this end. Availability of water for agricultural use remains a high priority for the 77th Legislature. Redistricting and agricultural policy will be closely linked, as demographic studies show that now 87 percent of Texans live in urban areas, leaving those in rural areas concerned with adequate political representation.



REGULATORY

Electric Deregulation

During the last session, a bill to deregulate the state's electric market (S.B. 7) passed, resulting in a special committee, the Electric Utility Restructuring Legislative Oversight Committee, to provide oversight of this essential task. The Committee found that substantial progress had been made towards implementing S.B. 7.

Recent problems in California's deregulation efforts, though, are raising concerns that Texas could be headed for similar difficulties. California residents have experienced high electric bills this past summer, which has resulted in a repeal of some parts of the state's deregulation law. Some public officials were advising residents to refuse to pay their exorbitant electric bills.

Issues Facing The Texas Legislature

California regulators are forecasting blackouts this December due to the lack of adequate power in the state, which troubles Charles Matthews of the Texas Railroad Commission, who is concerned about the rising price of natural gas used by many new power plants (currently priced around \$7.05 per 1000 cubic feet, it was \$2.50 a year ago). However, Pat Wood, chairman of the Public Utility Commission (PUC), testified that Texas has sufficient power now and will have enough power in the future. He expects market forces to push the price of gas down.

Wood stated in an August hearing that since 1995, 22 new power plants producing 5,700 megawatts have come on-line, which greatly exceed the 672 megawatts of new production in California. He added that 15 more plants will be completed by January 2002, resulting in another 9,600 megawatts added to our power grid, while California will add only 300 megawatts (it takes approximately 4 to 5 years to build and bring a power plant on-line). Additionally, Texas plants are required to keep 15 percent of reserve power for emergencies. The California model is quite different than the Texas one because of the former's restrictive regulatory framework and unstable market structure. Texas is taking seven years to open its power market, while California only took two years, according to Pat Wood. The S.B. 7 implementation effort is on schedule and no legislation appears to be needed currently.

Telecommunications

The Federal Telecommunications Act (FTA) of 1996 overhauled national regulations and removed various barriers in cable, cellular, and residential/business phone markets. It primarily opened up local telephone markets, but did give added regulatory relief to the cable industry. Texas passed earlier legislation, H.B. 2128, that moved the state from rate of return regulation (profit margin determined by regulator not market) toward open competition.

The Senate Committee on Economic Development was charged with monitoring the implementation of S.B. 560, which reduced switched access rates, required a pass through of savings to consumers, prohibited slamming and cramming, and required phone companies to file five-year workforce plans. Progress is occurring, but a thorough evaluation is underway to be submitted to the 77th Legislature. The committee investigated whether assessing a sales tax on these fees and surcharges on Texans' telephone bills is necessary and if further taxation of these collections is necessary and recommended that several surcharges and fees become exempted from sales tax.

Additionally, the Texas telecommunications' market, including cable and broadband, is moving towards open access, but there exists the potential for telecommunications companies (cable and phone companies) that control the wires to discriminate against competitors. Many communities are concerned about the best approach to addressing the corporate entities emerging from the recent transformations in the telecommunications

market. If current market forces cause undesirable changes such as reduced competition in the Texas telecommunications market, legislation might be required; however, the implementation of federal and state reforms in telecommunications law is progressing, though the issue of switched access rates that S.B. 560 addressed, among others, is still being monitored.



STATE AFFAIRS

The Gramm-Leach-Bliley Financial Services Modernization Act

In November 1999, Congress passed into law the Gramm-Leach-Bliley Financial Services Modernization Act (GLBA). Since 1934, federal law had prohibited affiliations between commercial banks and securities firms. Likewise, federal law had separated banks and insurance companies since 1955. With the passage of GLBA, banks, insurance companies, and securities firms may engage in common ownership through affiliations or holding company structures. In order for Texas to act appropriately in aligning state laws with these newly created federal regulations, a report entitled "Financial Services Modernization for Texas, Impact of the Gramm-Leach-Bliley Act of 1999" (Agency Report), was released on August 15, 2000. The report was jointly authored by the Texas Department of Banking (DOB), in consultation with the Texas Department of Insurance (TDI), the Texas Savings and Loan Department (TSLD), and the State Securities Board The Agency Report can be obtained through the DOB or online at (SSB). www.banking.state.tx.us.

Interim Charge 3, brought before the Senate Committee on Economic Development to study trends affecting the convergence of the banking, securities, and insurance industries, including market forces and federal government activity, resulted in more specific recommendations as regards the state and statutory legislation to be considered by the 77th Legislature. They follow definitions of terms as defined by GLBA.

- A depository institution is a bank or savings institution, or a foreign bank with U.S. operations (includes a national bank, federal savings bank, federal savings association, state savings bank, state savings association, state bank organized in the District of Columbia, state commercial bank, banking association, trust company, savings bank, savings association, industrial bank, another bank accepting deposits, and a foreign bank that maintains a branch, agency, or commercial lending company in the U.S.)
- An insurer is any person engaged in the business of insurance (includes insurance companies, agents, adjusters, and risk managers).
- An affiliate is any person or entity controlling, controlled by, or under common control with a company.

Some issues related to GLBA include:

Insurance Agent Licensing

GLBA eliminates pre-existing federal and state laws that prevent common ownership of entities that engage in insurance, securities, and banking activities. Additionally, GLBA preempts state agent licensing laws that prohibit or interfere with a depository institution's ability to sell insurance. The Act also directs the states to develop uniform insurance agent licensing laws or face losing licensing authority to a national self-regulatory body known as the National Association of Registered Agents and Brokers ("NARAB"). If a majority of the states and U.S. territories (29) fail either to adopt uniform agent licensing requirements or to institute reciprocal agent licensing before November 12, 2002, non-resident agent licensing authority will be stripped from the states and vested in NARAB. And finally, GLBA establishes the concept of "functional regulation" whereby the combined activities of these companies will be regulated by the appropriate regulatory agency. In the Agency Report, the Texas Department of Insurance strongly expressed the importance of maintaining state control of the agent licensing function.

Texas law has no provision for this uniformity or reciprocity of agent licensing consistent with the requirements of GLBA to circumvent the establishment of NARAB. In 1999, the 76th Legislature passed S.B. 956 to provide for reciprocity of licensing between Texas and other states. The bill was vetoed by the governor because of an unrelated amendment tacked on late in the process. Therefore, expect a revised version of S.B. 956 that fully implements GLBA to be introduced in the 77th Legislature.

Affiliation Review Period

TDI recommends that Section 4(d)(1), Article 21.49-1, Insurance Code, be amended to shorten the review time to consider proposed affiliations between depository institutions and insurers to 60 days in conformity with GLBA.

ATM Fee Disclosure Reform

GLBA enacted the "ATM Fee Reform Act of 1999," which amends the Electronic Fund Act to require ATMs that charge a fee to a customer of another financial institution to notify the customer of the fee. While state law does not require fee disclosure to ATM customers to the extent established by GLBA, in order to conform to the ATM Fee Reform Act, Section 59.202 of the Texas Finance Code, may be amended.

Confidentiality of Insurance Company Data

The DOB, TDI, TSLD, and SSB are concerned about the confidentiality of insurance company data. Concerns have been raised that confidential information when shared with another regulator for functional regulation may be "deemed" public. In that case,

confidential information may be available to the public pursuant to the Public Information Act. Legislation could be introduced to assure that when insurance company data, for example, is shared with another regulatory entity, the confidential information remains confidential.

DOB, TSLD, and SSB, according to the report's findings, can adapt regulatory practices in response to the marketplace and its changes. These agencies can adapt rules to compete and still stay within guidelines of the federal law. However, TDI has less flexibility because of limitations in the Insurance Code.

Section 36 of the Insurance Code

This section may be amended in order to allow TDI to respond to market changes and allow competition by financial institutions, similar to DOB, TSLD, and SSB. This across-the-board rulemaking authority for all affected state agencies would allow clear definition and communication for the purposes of public policy regarding necessary restrictions and limits on business functions.

Other statutes pertaining to state banks, state savings banks and holding companies, state trust companies, and bank holding companies may be amended to allow these entities to fully engage in new activities as allowed and anticipated by GLBA.

Payday Loan and Sale Leaseback Transactions

Payday loans are small consumer loans intended to carry the borrower until the next pay check, and are secured by the borrower's personal check. These loans are known by many different names, including "cash advance loans," "check advance loans," "postdated check loans," "delayed deposit check loans," and "deferred deposit" or "deferred presentment loans." Regardless of the name, the amount is usually an amount from between \$100 and \$400, with the period of the loan from between 7 to 14 days. Interest paid can be as high as \$33 per \$100 borrowed, resulting in extremely high interest rates depending on the period of time until the loan is due.

Problems occur when these loans are not repaid at their due date and the loan is extended, creating a "rollover" which can be extended for additional periods of time, with additional interest added to the original loan amount. If any checks made by the borrower or loan customer are returned as insufficient, some lenders turn the check over to their local criminal justice system for criminal prosecution, a practice common throughout the state.

Five bills related to sale leaseback transactions were filed in the 76th Legislature, but none passed. As a result, many unauthorized lenders across the state continue to make usurious loans to consumers with annual interest rates potentially in excess of 800 percent.

Consumer groups argue that Texas should concentrate on enforcing current usury limits rather than consider legalizing such high rate lending products. The Office of the Attorney General has been involved in several legal proceedings surrounding payday lenders, resulting in a settlement and permanent injunction against one payday lender. The threat of future litigation and possible regulation have made the payday loan industry perceive "sale leaseback operations as a 'safe haven'."

The House Committee on Financial Institutions recommended in its interim report that small consumer loans, commonly known as payday loans, be subject to licensure and regulation; however in the matter of sale leaseback transactions, there was no recommendation. In contrast, the Senate Economic Development Committee and the Sunset Advisory Commission have called for a new law to broaden the definition of a loan to include sale leaseback agreements.

Transportation

Recognizing the worsening nature of traffic congestion and deteriorating road conditions, the 77th Legislature is expected to consider innovative solutions to improve transportation. Legislators will need to balance the increasing capacity needs with road maintenance and new construction, which is a difficult task given limited resources at the state and federal level. Thus, a variety of funding and construction options, including bonds, toll roads, design-build projects, and pavement warranties could be included in legislation during the 77th Legislature in hopes of providing the much-needed assistance to get traffic moving and to make roads and bridges functional and structurally adequate.

Legislators, when assessing the Texas-Mexico border region in particular, will grapple with the urgent demand to provide significant additional resources throughout the North American Free Trade Agreement (NAFTA) trade corridors to ease the impact NAFTA-related trade has made on both metropolitan and rural areas of the state.

The 77th Legislature will also work to improve the state's commercial trucking safety, including the safety of roads and bridges. Options include:

- Allowing assistance for law enforcement with commercial truck safety inspections, particularly toward the inspection of overweight and oversized vehicles currently handled exclusively by the Texas Department of Public Safety (DPS).
- Scrutinizing the fee structure currently designed to compensate county governments for road repair and making it more equitable.
- Implementing information-age technology to assist truck drivers and improved public education on related driver safety issues.



MILITARY AND VETERANS' AFFAIRS

The Senate Committee on Veterans Affairs and Military Installations was formally turned into a full standing committee during the 76th Legislature. The committee traveled around the state during the interim, sponsoring hearings to assess the effectiveness of state benefits for veterans and explore strategies to improve the usefulness of military facilities. The defense industry contributes nearly \$40 billion annually to the Texas economy, and the state has the third largest military infrastructure in the country. In addition, there are 1.5 million veterans in the state. Because of the defense industry's importance, and in light of recent base closings, the committee seeks approaches to ensure Texas stays competitive while addressing concerns of veterans. The changing nature of the national military mission has impacted Texas' many installations, causing some base closings resulting in substantial negative economic impact in several communities that depended on these bases. Texas has been examining approaches to ensure that the state's many installations and defense industry stay competitive with states like Virginia and California.

Legislation may be submitted to place the Office of Defense Affairs within the Department of Economic Development to increase its visibility due to the increasing importance of the defense industry to the Texas economy; establish a Defense Infrastructure Revolving Loan Fund to assist military installations and communities with infrastructure shortfalls; fund the completion of State Highway 195 as a four-lane highway to facilitate deployment of equipment and troops from Fort Hood to the strategic coastal ports; and initiate a \$20 million Strategic Defense Investment Program to mitigate future military installation closures and assist affected communities in attracting other industry.



SUNSET REVIEW

Agencies Reviewed

The following are the 25 agencies reviewed by the Sunset Advisory Commission for the 77th Legislature.

Children's Trust Fund Council

Coastal Coordination Council

Finance Commission of Texas

General Services Commission

Office for the Prevention of Developmental Disabilities

Office of the Attorney General, Child Support Enforcement

Office of Banking Commissioner

Office of Consumer Credit Commissioner

Office of Fire Fighters' Pension Commissioner

Office of Savings and Loan Commissioner

Railroad Commission of Texas

State Aircraft Pooling Board

State Commission on Judicial Conduct

State Pension Review Board

State Securities Board

State Soil and Water Conservation Board

Texas Department of Economic Development

Texas Department of Housing and Community Affairs

Texas Energy Coordination Council

Texas Funeral Service Commission

Texas Interagency Council for the Homeless

Texas Natural Resource Conservation Commission

Texas Parks and Wildlife Department

Texas State Affordable Housing Corporation

Texas Water Development Board